

## CHAPTER NO. 416

### SENATE BILL NO. 2275

**By Kyle, Herron, Burks, Chism, Cohen, Cooper, Crutchfield, Ford, Harper, Haynes, Henry, Jackson, Kilby, Kurita, McLeary**

**Substituted for: House Bill No. 2288**

**By McMillan, Hood, Hargrove, Litz, Coleman, Cobb, Yokley, Sontany, Fitzhugh, Langster, Favors, Mr. Speaker Naifeh, Marrero, Larry Turner, Kernell, Lois DeBerry, Pruitt, Ulysses Jones, John DeBerry, Miller, Cooper, Brown**

AN ACT to amend Tennessee Code Annotated, Title 4, relative to the establishment of the Governor's Books from Birth Fund and the authorization of a partnership arrangement between the Fund and a nonprofit public benefit corporation and the authorization of certain administrative matters.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, is hereby amended by adding the following as a new part:

Section \_\_\_. There is established the Governor's Books from Birth Fund.

Section \_\_\_. The fund shall promote and foster the development of a comprehensive statewide program for encouraging pre-school children to read.

Section \_\_\_. Any agency of state government may provide staff and other assistance to the fund subject to existing statutes, rules, and policies. Subject to existing statutes, rules, and policies, the fund may procure office space and supplies necessary to enable it to effectively carry out the program. All reimbursement for travel expenses shall be in accordance with the provisions of the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporting. For administrative purposes, the fund shall be attached to the Department of Education.

Section \_\_\_. The fund may enter into such contractual and promotional agreements necessary to effectively stimulate a statewide program for encouraging pre-school children to read.

Section \_\_\_. (a) The fund is authorized to partner with a nonprofit public benefit corporation that is organized solely to promote and encourage reading by the children of the state of Tennessee, for the purpose of implementing the early reading initiatives of the fund.

(b) The nonprofit partner shall have its board of directors elected by a process approved annually by the Governor or his/her designee. The nonprofit partner's board may select its own chairperson.

(c) The nonprofit partner shall be properly incorporated under the laws of the State of Tennessee, and approved by the Internal Revenue Service as an organization that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code [26 U.S.C., subtitle A, Chapter 1, § 501(a)], by virtue of being an organization described in Section 501(c)(3) of the Internal Revenue Code.

(d) The nonprofit partner may receive funds from the general public, and also may receive funds from the State of Tennessee at such times and in such amounts as appropriated by the General Assembly.

(e) Costs to underwrite the nonprofit partner's activities related to the fund shall be borne from revenues of the nonprofit partner and no state employee shall benefit from such proceeds.

(f) The nonprofit partner may exercise all powers authorized under the Tennessee Nonprofit Corporation Act.

(g) The nonprofit partner may receive staff and other assistance from any agency of state government, subject to existing statutes, rules, and policies.

(h) All funds that are held by the fund on June 30, 2005, shall be transferred to the nonprofit partner for the purposes described in this chapter.

Section \_\_\_\_\_. The Governor's Books from Birth Fund and the nonprofit partner may work with local governments, private organizations and citizens as it plans and engages in activities related to the fund.

(a) The nonprofit partner shall be eligible to be a participating employer in the Tennessee consolidated retirement system upon:

(1) Passage of a resolution by the nonprofit's board of directors authorizing an actuarial study; and

(2) Passage of a resolution by the nonprofit's board of directors authorizing such participating and accepting the liability as a result of the participation by its full-time employees.

(b) The employees of the nonprofit partner shall make the same contributions, participate in the same manner, and shall be eligible for the same benefits as employees of local governments participating in the retirement system under this part.

(c) The employees of the nonprofit partner shall be entitled to credit for prior service as approved by the board of directors of the nonprofit under the same provisions that apply to employees of local governments.

(d) The retirement system shall not be liable for the payment of retirement allowances or other payments on account of employees of the nonprofit partner or the beneficiaries of such employees for which reserves have not been previously created from funds contributed by the nonprofit partner, its employees or the nonprofit partner and its employees.

(e) In case of the withdrawal of the nonprofit partner as a participating employer, the benefits of the members and beneficiaries shall be determined in accordance with the provisions of Tennessee Code Annotated, Section 8-35-211.

(f) It is the legislative intent that the state shall realize no increased cost as a result of this section. All costs associated with retirement coverage, including administrative costs, shall be the responsibility of the nonprofit partner.

Section \_\_\_\_\_. The nonprofit partner may participate the same as an eligible quasi-governmental organization in the health insurance plan authorized under Tennessee Code Annotated, Section 8-27-207 to provide health insurance for its employees, as long as such nonprofit partner satisfies each of the requirements of such section. If, within sixty (60) days of the effective date of this act, a state employee becomes an employee of the nonprofit partner, such employee is eligible to continue to participate in the insurance plans authorized in Section 8-27-201. For the purpose of determining the distribution of premium for participating in the specific policies authorized by the state insurance committee, the nonprofit partner shall pay the same amount as the state government for employee participation in such coverage. An employee of the nonprofit partner electing to continue such coverage shall continue to meet the eligibility criteria of a state employee to participate in the state plan. Each employee of the nonprofit partner also is subject to the same retiree continuation provisions as state employees as provided in Title 8, Chapter 27, Part 2.


Section \_\_\_\_\_. The nonprofit partner shall annually submit to the governor and the speakers of the Senate and the House of Representatives within ninety (90) days after the end of its fiscal year, a complete and detailed report setting forth its operation and accomplishments.

Section \_\_\_\_\_. The nonprofit partner shall be subject to examination and audit by the comptroller of the treasury in the same manner as prescribed for departments and agencies of the state.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 26, 2005

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 17<sup>th</sup> day of June 2005

  
PHIL BREDESEN, GOVERNOR